DOCKET FILE COPY ORIGINAL

RECEIVED

JUL 10 1998

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Before the
Federal Communications Commission

In the Matter of	)	CC Docket No. 98-14
	)	
Number Portability Query Services	)	
	)	
Ameritech Tariff F.C.C. No. 2, Transmittal No. 1149, as Amended	)	CCB/CPD 98-26
	)	
Bell Atlantic Tariff F.C.C. No. 1, Transmittal No. 1041	)	CCB/CPD 98-25
	)	
Pacific Bell Tariff F.C.C. No. 128, Transmittal Nos. 1927 and 1973	)	CCB/CPD 98-23
	)	
Southwestern Bell Tariff F.C.C. No. 73, Transmittal Nos. 2638 and 2694	)	CCB/CPD 98-17

MEDIAONE'S COMMENTS ON THE DIRECT CASES OF BELL ATLANTIC, SOUTHWESTERN BELL, PACIFIC BELL AND AMERITECH

MediaOne Group, Inc. ("MediaOne") is the parent company of the third largest cable operator in the United States, serving 5.1 million customers. Through its subsidiary, MediaOne Telecommunications, Inc., MediaOne also owns and operates a number of competitive local exchange carriers. MediaOne currently provides local exchange service in Los Angeles, California and Atlanta, Georgia. Like many new entrants in the market, MediaOne has many tasks before it, including providing local number portability. Also like other new entrants, MediaOne must focus on the financial bottom line. The bottom line of this proceeding for new entrants is simple: the higher the local number portability ("LNP") data base query rates that Bell Atlantic, Southwestern Bell, Pacific Bell and Ameritech are

78183.1

No. of Copies rec'd 0+6
List ABCDE

allowed to charge, the less margin MediaOne and other new entrants will have to cover all the other costs of providing a new local exchange service. Therefore, the costs and assumptions that are used to develop those rates must be scrutinized closely by the Commission on behalf of new entrants who will have little -- if any -- choice about the carrier they must use and the rates they must pay for query services.

The issues designated for investigation demonstrate that the Commission recognizes the importance of careful scrutiny of the proposed tariff rates. MediaOne has identified several erroneous assumptions in the filings made by Southwestern Bell, Pacific Bell and Ameritech that strike at the heart of competition. Those false assumptions will be identified here, although more specific concerns about apportioning carrier-specific costs will be filed in response to the Commission's request for comments in CC Docket 95-116 on August 3, 1998.[1]

I. NEW ENTRANTS SHOULD NOT HAVE TO BEAR THE COSTS OF DEVELOPING THEIR OWN LNP NETWORK AND DATABASE FACILITIES AND, AT THE SAME TIME, PAY FOR THEIR COMPETITORS' OVERHEAD EXPENSES IN A TARIFFED LNP QUERY RATE.

Southwestern Bell and Pacific Bell evidently want their nascent competitors to help pay their bills. On page 10 of its Consolidated Response, Southwestern Bell and Pacific Bell outline three possible scenarios that N-1 carriers have to satisfy their LNP obligations: 1) They can deploy their own networks and database facilities (thereby incurring their own Type 2 costs) and subscribe to the NPAC; 2) They can purchase, either on a prearranged or default

[1] *In re Telephone Number Portability*, CC Docket No. 95-116, Third Report and Order, FCC 98-82 (rel. May 12, 1998) (Cost Recovery Order).

basis, the query services of either call-terminating LECs or independent providers of query services; or 3) They can deploy LNP functionality in their network and rely on another network's LNP database, e.g., purchase the SPNP Database Query Service. The Consolidated response uses this rationale to claim that N-1 carriers that do not supply their own N-1 capacities "would be able to inappropriately avoid their share of number portability costs that have been expended, which would appear inconsistent with the Commission's goal of competitive neutrality." *Id.* Thus, Southwestern Bell and Pacific Bell (the "SBC LECs") defend the imposition of their unsupported 15% allocation of implementation costs to the query services. Basically, Southwestern Bell and Pacific Bell want new entrants to pay not just for the cost of query services but for a percentage of all of the firm's overhead expenses. as well.

What the SBC LECs ignore, however, is that many new entrants are currently engaged in developing their own networks and database facilities. For some period of time, until the network and database are ready, new entrants must rely on Southwestern Bell or Pacific Bell's query services. It is certainly not competitively neutral to require new entrants to pay for developing their own LNP capabilities and, at the same time, subsidize the bloated "costs of implementation" of their incumbent competitors as part of the query fees they are forced to pay. Therefore, tariffed rates for query services should not include overhead or unidentified implementation costs.

II. THE SBC LECS' ASSUMPTIONS BELIE THEIR CLAIMS ABOUT CLECS HAVING A CHOICE OF PROVIDERS FOR QUERY SERVICES

The SBC LECs make sweeping pronouncements about the options CLECs have for query services that are refuted by their own analyses. Appendix B of the Consolidated Response of the SBC LECS states in its "Assumptions Relating to Queries Caused by Different Categories of N-1 Carriers" and in its "Queries Created by Different Categories of N-1 Carriers" that "CLECs will not invest in their own LRN software and LNP." Thus, the Consolidated Response concludes that "call attempts made by CLEC end users equal those made by SBC LEC end users" and that "100% of call attempts entering SBC network will generate a query." Further, Appendix B's chart states that "100% of queries will be performed by SBC."

The assumption in Appendix B that "100% of queries will be performed by SBC" stands in stark contrast to the SBC LEC's repeated assertions in their Direct Case that "carriers will have a choice of providers of LNP query services."[2] The SBC LECs' assertion that "[c]arriers that would otherwise take services under the Query Tariffs can self-provide them or can purchase them from alternative commercial sources" seems fairly disingenuous when viewed in the light of their own internal analysis, which states that "CLECs will not invest in their own internal software and LRN database." Evidently, the SBC LECs are well aware of the cost and complications of developing a query service and they are planning to provide yet another monopoly service. Therefore, the Commission should question the SBC LECs' glib assertion that "the detail requested through the Designation Order is far greater than is required to determine whether the rates proposed by carriers for queries are "just and

---

[2] Consolidated Response at 9.

reasonable."[3] The reason given is that "this is particularly true because the query services are entirely optional on the part of customers who would purchase them."[4]

MediaOne's experience is that query services are not optional--they are a necessity. At least for an initial period, MediaOne must rely on query services from an incumbent provider, such as Bell Atlantic, SBC or Pacific Bell in order to provide local number portability. Query services are only optional if there is another qualified provider, or if the CLEC has expended the resources to build its own LNP network and database facilities--and if these facilities are ready to port numbers. Local number portability itself is not optional. The Commission should not accept the assertion that CLECs can easily go elsewhere for query services if they do not like the rates they are being charged. Therefore, query services must be available at just and reasonable rates.

III. INCUMBENTS SHOULD NOT BE PERMITTED TO EXTRACT DETAILED FORECASTS OF TRAFFIC VOLUMES AND OTHER COMPETITIVELY SENSITIVE INFORMATION IN EXCHANGE FOR QUERY SERVICES

Ameritech proposes to require carriers that request prearranged query services to provide separate, rolling, three-month estimates of the volume of traffic they intend to deliver to Ameritech end offices and tandem offices, including total monthly traffic, maximum busy hour volumes, and the Ameritech switch over which they intend to route this traffic.[5] Ameritech could not have requested a clearer blueprint of its competitors' activities. If it receives this information, Ameritech will be in an enviable position. It will possess

---

[3] *Id.* at 3

[4] *Id.*

[5] *Order Designating Issue for Investigation* at 10.

information about its own call volumes as well as data about most of its new competitors. Only carriers that provide their own portability will be missing. MediaOne concurs with the Commission that Ameritech has not adequately explained why it needs this level of information or why it would not suffice for the requesting carrier to provide an estimate of the quantity of query service it needs.

Although Ameritech protests mightily in its Direct Case that its network engineers need every scrap of available information, it is difficult to believe that these engineers will be making changes to the network on almost a monthly basis. In fact, it will be very difficult for most new entrants to even provide such detailed three-month projections. New entrants that start at ground zero with no experience in a particular market lack an accurate way to predict three-month volumes with the specificity that Ameritech demands. The inability to accurately forecast volumes is a result of lack of data, not because new entrants want to "offload" this planning function, as Ameritech claims.[6] Therefore, the level of specificity demanded by Ameritech appears to be both impractical and anticompetitive. For these reasons, the Commission should allow Ameritech to request *but not require* a general estimate of traffic volumes over a reasonable time period.

IV. CONCLUSION

The mind of the monopolist is evident in the Direct Cases and these tariff filings. It is fairly obvious that Bell Atlantic, Ameritech, Southwestern Bell and Pacific Bell would like to charge a lot of money for a new version of a bottleneck service. Ameritech's comments

---

[6] Ameritech Direct Case at 18.

stated this succinctly: "Query Service is an access service and should be priced as one."[7] The fact that historically, carrier access service has been priced at many multiples of cost and has been loaded with subsidy does not bode well for new entrants that must pay for query services. The Commission is absolutely correct that these tariffs raise substantial questions of lawfulness. MediaOne urges the Commission to examine the costs and assumptions presented to support these tariffs and to reject tariff rates that are not just and reasonable. In addition, the Commission should not permit Ameritech or other incumbents to demand detailed and competitively sensitive traffic information from its competitors in exchange for the provision of query services.

Respectfully submitted,

Karlyn D. Stanley
COLE, RAYWID & BRAVERMAN, L.L.P.
1919 Pennsylvania Ave., NW, Suite 200
Washington, D.C. 20005
(202) 659-9750

Counsel for MediaOne Group,Inc.

July 10, 1998

[7] Ameritech Direct Case at 5.

CERTIFICATE OF SERVICE

I, Debra J. Sloan, hereby certify that on this 10th day of July, 1998, I served by first class U.S. mail, postage prepaid, a copy of the foregoing MediaOne's Comments on the Direct Cases of Bell Atlantic, Southwestern Bell, Pacific Bell and Ameritech on the following:

Ms. Magalie Roman
Secretary of the Commission
FCC - Room 222
1919 M Street
Washington, DC 20554

Mr. James Schlighting, Chief
Competitive Priving Division
FCC - Room 518 (1600C)
1919 M Street, NW
Washington, DC 20554

Mr. James Lichford
Competitive Priving Division
FCC - Room 518 (1600C)
1919 M Street, NW
Washington, DC 20554

Mr. A. Richard Metzger, Jr.
Chief, Common Carrier Bureau
FCC - Room 500
1919 M Street, NW
Washington, DC 20554

Mark C. Rosenblum
Roy E. Hoffinger
James H. Bolin
AT&T - Room 324H3
295 North Maple Ave.
Basking Ridge, NJ 07920
Counsel for AT&T

Mr. Joel Ader
Ms. Ramona Stewart
Bell Communications Research
2101 L Street, NW - 6th Floor
Washington, DC 20037

Loretta J. Garcia
Donald J. Elardo
MCI
1801 Pennsylvania AVe., NW
Washington, DC 20006

International Transcriptions Services, Inc.
1231 20th Street
Washington, DC 20554

Judith Nitsche, Chief
Tariff & Pricing Analysis
FCC - Room 518
1919 M Street, NW
Washington, DC 20554

Public Reference Room
Tariff Division
FCC - Room 513
FCC - 1919 M Street, NW
Washington, DC 20554

Robert M. Lynch
Durward D. Dupre
David F. Brown
Hope Thurrott
175 E. Houston, Room 4-C-90
San Antonio, TX 78205
Counsel for Southwestern Bell Telephone Company and Pacific Bell

John M. Goodman
1300 I Street, NW
Washington, DC 20005
Counsel for Bell Atlantic Telephone Companies

Larry A. Peck
Room 4H86
2000 West Ameritech Center Drive
Hoffman Estates, IL 60196-1025
Counsel for Ameritech

Debra J. Sloan

78183.1